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October 16, 2020

VIA ELECTRONIC FILING

Jocelyn G. Boyd, Esquire
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

RE: Application of Condor Environmental, Incorporated for Approval to
Transfer Stock, and Motion for Expedited Consideration and Waiver of
Notice and Motion for Confidential Treatment of Financial Statement
Docket No. 2020-239-S

Dear Ms. Boyd:

By this letter, the South Carolina Office of Regulatory Staff (“ORS”) hereby notifies the Public Service Commission of South Carolina (“Commission”) that ORS has reviewed the filings submitted by Condor Environmental, Inc. (“Condor”) for the Application of Condor for Approval to Transfer Stock, and Motion for Expedited Consideration and Waiver of Notice and Motion for Confidential Treatment of Financial Statement.

Condor requests Commission approval of the transfer of stock from Samuel Weaver to Brad Weaver and Jason Weaver. Condor states that the transfer of stock is intended to maintain Condor’s continuity of business operations and service and that Condor’s customers will not be adversely affected in any way and their rates will not change as a result of the transfer.

Condor states that “time is of the essence” and requests an expedited proceeding. Because this is an internal shareholder transaction with no effect on service, Condor further requests that the Commission waive the requirements of notice by publication or notice by mail.

Condor also submitted a motion for confidential treatment which requests Brad Weaver’s financial statement be ruled exempt from public disclosure and provided confidential treatment, which was granted by Order No. 2020-100-H.

ORS Review and Recommendations

ORS's records indicate that the most recent Performance Bond Agreement on file was signed by Samuel Weaver for an amount of \$100,000. Regarding the amount of the required performance bond for sewer utilities, South Carolina Regulation 103-512.3.1 states:

The amount of bond shall be based on, but not limited to, the total amount of the following categories of expenses for twelve months: Operation and Maintenance Expenses, General and Administrative Expenses, Taxes Other Than Income Taxes, Income Taxes, and Debt Service including Interest Expenses. The minimum amount of the bond shall be \$100,000 and the maximum amount of the bond shall be \$350,000 based on the verified expenses of the utility for the preceding twelve-month period.

South Carolina Regulation 103-512.3.1 further states:

The ORS shall review the annual reports and certifications and determine whether the present bond of the utility accurately reflects the expenses of the utility. Based upon the expenses of the utility as submitted in the annual report and as reviewed and adjusted by the ORS, the ORS shall make recommendations for increasing or reducing the amount of the bond within the minimum and maximum limits as prescribed by statute.

ORS reviewed the expenses in Condor's 2019 Wastewater Utility Annual Report and discussed a Performance Bond Requirement with Condor that would meet the requirements of South Carolina Regulation 103-512.3.1. A copy of the expense calculations from Condor's 2019 Wastewater Utility Annual Report is enclosed here. As a result, ORS requested Condor execute a new Performance Bond Agreement signed by a new authorized signatory. In response Condor provided ORS a new Performance Bond Agreement signed by Brad Weaver in the amount of \$254,356, which is enclosed here.

ORS has reviewed the filings by Condor and does not object to the transfer of stock, motion for expedited consideration and waiver of notice. In addition, ORS respectfully requests the Commission approve the updated Performance Bond Requirement in the amount of \$254,356 for Condor. The previously filed Financial Statement from Brad Weaver is sufficient surety to cover this new Performance Bond Requirement. ORS will review Condor's expenses in future proceedings to determine whether the Performance Bond Requirement remains sufficient to meet the requirements of South Carolina Regulation 103-512.3.1.

Letter – Jocelyn G. Boyd, Esquire
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If you have any questions, please do not hesitate to contact me.

Sincerely,

s/ Jeffrey M. Nelson

Jeffrey M. Nelson

cc: All Parties of Record (via e-mail)
David Butler, Esquire (via e-mail)